BOARD OF GOVERNORS MEETING

JULY 30, 2019
Approval of Minutes
June 25, 2019
Financial Update

Janet Arsenault
Sr. Director of Finance
Financial Snapshot - June 2019

Profit/Loss

Actual: $(1,210,110)
Budgeted: $ (646,362)

Customers (Estimated): 265,766

Economic Impact (Estimated): $114.2M

(Images of logos: Georgia World Congress Center and Centennial Olympic Park)


Financial Year-end Results

Profit/Loss

- Actual YTD: $8,314,473
- Budgeted YTD: $2,405,512

H/M Tax

- Actual FY18: $7.2M
- Budgeted FY18: $6.8M (5.47% increase)

Customers (Estimated)

- 4,087,268

Economic Impact (Estimated)

- $1.7B
Financial Year-end Results

Profit/Loss

Actual YTD: $8,314,473
Budgeted YTD: $2,405,512

GWCCA NET PROFIT

- Capital Projects: $3.5M
- Hotel Expenses: $1M
- OPEB Trust Fund: $700K
- Fund Balance: $2.5M
Questions?
FY19 Sales Update

Joe Bocherer
Chief Commercial Officer

Brad Minton
Director of Sales
# Performance Summary: GWCC Events

<table>
<thead>
<tr>
<th>RENTAL</th>
<th># of Events</th>
<th>Budgeted Goal</th>
<th>Achieved</th>
<th>Difference</th>
<th>% Achieved</th>
<th>ITYFTY*</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2019</td>
<td>241</td>
<td>$14,900,000</td>
<td>$15,171,097</td>
<td>$271,097</td>
<td>102%</td>
<td>$1,003,348</td>
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<tr>
<td>FY2018</td>
<td>229</td>
<td>$12,551,546</td>
<td>$13,672,314</td>
<td>$1,120,768</td>
<td>108%</td>
<td>$985,013</td>
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<tr>
<td>FY2017</td>
<td>248</td>
<td>$12,731,503</td>
<td>$12,692,179</td>
<td>($39,324)</td>
<td>99.70%</td>
<td>$925,820</td>
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</tbody>
</table>

*ITYFTY = In the Year, for the Year
FY19 Heavy Hitters

Microsoft Business Applications Summit
June 10 – 11, 2019 | Atlanta, GA

Microsoft

FY19 Heavy Hitters

Microsoft Business Applications Summit
June 10 – 11, 2019 | Atlanta, GA

Microsoft
The Camera is Still Rolling…

Salma Hayek on GWCCA set of ‘Limited Partners’
### FY19 Sales Production

<table>
<thead>
<tr>
<th>FY19 Total Sales Team Production</th>
<th>Total</th>
<th>Goals</th>
<th>Percentage Achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental</td>
<td>$ 20,998,211</td>
<td>$ 19,688,945</td>
<td>107%</td>
</tr>
<tr>
<td>Contracted Catering Food &amp; Beverage (Gross)</td>
<td>$ 19,069,008</td>
<td>$ 10,910,000</td>
<td>175%</td>
</tr>
<tr>
<td>Total Room Nights</td>
<td>1,011,219</td>
<td>839,064</td>
<td>121%</td>
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</tbody>
</table>
ROI: BC Exhibit Hall Expansion
<table>
<thead>
<tr>
<th>City Data*</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Definite Room Nights</td>
<td>890,089</td>
<td>748,577</td>
<td>788,128</td>
<td>589,307</td>
<td>339,453</td>
<td>298,616</td>
<td>125,282</td>
<td>258,959</td>
<td>4,038,411</td>
</tr>
<tr>
<td>PACE Targets</td>
<td>837,319</td>
<td>794,605</td>
<td>717,202</td>
<td>506,797</td>
<td>323,687</td>
<td>245,637</td>
<td>172,800</td>
<td>66,131</td>
<td>3,664,178</td>
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<tr>
<td>Variance</td>
<td>52,770</td>
<td>-46,028</td>
<td>70,926</td>
<td>82,510</td>
<td>15,766</td>
<td>52,979</td>
<td>-47,518</td>
<td>192,828</td>
<td>374,233</td>
</tr>
<tr>
<td>Percentage</td>
<td>106%</td>
<td>94%</td>
<td>110%</td>
<td>116%</td>
<td>105%</td>
<td>122%</td>
<td>73%</td>
<td>392%</td>
<td>110%</td>
</tr>
<tr>
<td>Tentative Funnel</td>
<td>167,201</td>
<td>677,228</td>
<td>813,825</td>
<td>592,182</td>
<td>836,969</td>
<td>838,102</td>
<td>1,026,168</td>
<td>779,208</td>
<td></td>
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<tr>
<td>Annual Funnel Unconfirmed</td>
<td>0</td>
<td>54,883</td>
<td>65,837</td>
<td>166,897</td>
<td>328,227</td>
<td>392,576</td>
<td>423,247</td>
<td>308,081</td>
<td></td>
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</table>
FY19 Takeaways

1. ITYFTY Event Rental Revenue booked was a Super Bowl winner: $1,003,348

2. Future PACE is on track by 110%

3. New Exhibit Hall expansion has been sold
Questions?
Levy End-of-Year Update

Jeffrey Kern
General Manager,
Levy Restaurants
Interesting Facts

- Completed over 18,000 services in Premium and Catering
  - Does not include $5.6M in retail sales

- Exceeded budget in 9 of 12 months

- Budgeted, unspecified revenue was $3M, achieved $5.3M. Most notable:
  - Ernst & Young $1.2M
  - Coca-Cola Holiday Party $0.8M
  - Microsoft $1.9M
  - Amazon $0.3M

- Year-long planning for Super Bowl 53: budgeted $2.1M, achieved $4M

- Successful back-to-back-to-back execution of Heating and Air, Super Bowl 53, and IPPE
Financial Results

FY 19 Highlights:

- Exceeded budgeted Sales by $6.2M
- Exceeded budgeted Return to GWCC by $4.2M
- Return Rate percentage: 38%

<table>
<thead>
<tr>
<th></th>
<th>ACTUAL</th>
<th>BUDGET</th>
<th>VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>SALES</td>
<td>$26,372,366</td>
<td>$20,144,149</td>
<td>$6,228,127</td>
</tr>
<tr>
<td>RETURN TO GWCCA</td>
<td>$10,009,611</td>
<td>$5,782,899</td>
<td>$4,226,712</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>5-Year Historical Return Rate %</th>
<th>FY19</th>
<th>FY18</th>
<th>FY17 (Microsoft Ignite)</th>
<th>FY16</th>
<th>FY15</th>
</tr>
</thead>
<tbody>
<tr>
<td>5-Year Historical Return Rate %</td>
<td>38%</td>
<td>28.5%</td>
<td>37%</td>
<td>33%</td>
<td>33.5%</td>
</tr>
</tbody>
</table>

19
Forward Looking

Improved, modern coffee services

Clean “Market Style” set-up for retail sales and meeting room services
New Concepts

Mobile coffee and beer “E-Tuk” carts – can be used for public sales or purchased by Exhibitors to attract attendees to exhibits
Total replacement of current POS system by the end of August 2019. Highlight of benefits include:

- Cloud-based wireless technology eliminates hard data lines
- Switch to flex pricing in minutes; ties into digital menu boards
- Can target any area to make changes
- Real-time reporting; accessible by mobile devices
- QR code distribution to groups (exhibitors, show management) for easy discounting
- Accepts all types of payment (Apple pay, etc.)
- Sets stage for move toward cashless environment
The Challenge: How to recruit, train, and retain a world class staff?

- Have undergone a thorough wage analysis of the Atlanta market
  - Adjusting various pay rates to be competitive and attract talent

- All current employees to receive mandatory re-certification training in hospitality and service
  - No increases until criteria is met

- Less reliant on temporary employees; build a larger staff that has vested interest in GWCC
Questions?
Hotel Project

Finance Committee Recommendation
GWCCA Cash Reserve Balance

- Projected Available Cash @ 6/30/19: $22,575,171*
- Less 90 Day Operating Reserve: $13,994,250
- Less FY19 Reserve Request: $4,800,000
- Projected Balance Net of Reserves: $3,730,921

* Includes hotel expenses already paid
Current Hotel Reserve Amount

- $5 million approved November 2017
- $500K approved May 2018
- $1 million approved May 2019

- Total current hotel reserve - $6.5 million
Total Cash to Bond Closing

- Gensler – $10.6 million
- Drew – $2.2 million
- Other Consultants – $1.4 million
- Other Costs (including legal) – $800K

Total – $15 million
Recommendation

- GWCCA Contribution
  - $6.5 million (previously approved)
  - $3.5 million (additional from cash reserves)
  - $10 million

- Line of Credit
  - $5 million – to be repaid from bond proceeds

- Total - $15 million
With this Resolution the Board essentially would authorize the Executive Director to execute and draw against a non-revolving credit facility with Regions Bank (the credit limit of which would be $5,000,000).
Questions?
Executive Session

Personnel Committee Recommendation
Next Meeting

August 27, 2019